

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF  
STATE BOARD OF ANIMAL HEALTH  
STATE OF INDIANA  
June 1, 2001 to March 31, 2005





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AGENCY OFFICIALS

Office

Official

Term

State Veterinarian

Bret D. Marsh, D.V.M.

07-01-00 to 06-30-06



# STATE OF INDIANA

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BOARD OF ANIMAL HEALTH

We have reviewed the receipts, disbursements, and assets of the State Board of Animal Health for the period of June 1, 2001, to March 31, 2005. The State Board of Animal Health's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the State Board of Animal Health are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

May 12, 2005

STATE BOARD OF ANIMAL HEALTH  
REVIEW COMMENTS  
March 31, 2005

INACTIVE FUND/CENTER

The State Board of Animal Health has the following fund/center which has had no recent activity:

<u>Fund/Center</u>	<u>Fund/Center Name</u>	<u>Balance</u>
6000/105300	Livestock Brand Registration	<u>\$ 5,022.56</u>

If a fund/center has been inactive for a period of two or more years, the agency should contact the State Budget Agency as to the continued need for any inactive funds on hand. If the fund/center contains federal funds, the grantor must be contacted regarding a balance owed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 2)

DAILY DEPOSITS

The State Board of Animal Health did not consistently deposit receipts within the following business day.

Indiana Code 5-13-6-1(b) states in part: "... all public funds ... shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

PERSONAL LONG DISTANCE TELEPHONE CALLS

As stated in our prior Audit Report B16983, it has been the practice of the State Board of Animal Health to allow employees to make personal long distance telephone calls on the agency's telephones. Each month, employees are to review telephone bills, identify their personal calls, and present a check or cash to the agency for payment.

Personal long distance calls are not allowed to be charged to the State or placed over the State telephone network. Such calls should be charged to the employee's home phone, personal calling card, or placed collect. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

STATE BOARD OF ANIMAL HEALTH  
REVIEW COMMENTS  
March 31, 2005  
(Continued)

SUPPLEMENTATION OF APPROPRIATIONS

The State Board of Animal Health deposited a \$7,050.13 refund from a prior fiscal year expenditure as a current year refund. By recording this as a refund of current year's expenditure, the State Board of Animal Health is supplementing its State appropriations by this amount.

A refund of expenditure can only be used if the original disbursement and the refund or collection is within the same fiscal year. If the collection is not received within the same fiscal year as the related expenditure, then the collection must be recorded as miscellaneous revenue. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 3)

OUTSTANDING CHECKS

The State Board of Animal Health's SDO account had eight checks which have been outstanding for over two years.

Per Indiana Code 4-10-10 checks outstanding and unpaid for a period of two or more years as of the last day of December shall be declared cancelled. The amount of these checks should be deposited as miscellaneous revenue into the fund from which they came. The checks should then be removed from the outstanding check list.

ATTENDANCE REPORTS

As stated in our prior Audit Report B16983, we observed that employee attendance reports were frequently signed and dated prior to the last day worked. Also, supervisor's approval was not timely.

Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. The supervisor's review should be done prior to submission of payroll to the Auditor's Office. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 9)

STATE BOARD OF ANIMAL HEALTH  
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2005, with Bret D. Marsh, D.V.M., State Veterinarian. The official response has been made a part of this report and may be found on pages 7 and 8.





**INDIANA STATE BOARD OF ANIMAL HEALTH**

Office of the State Veterinarian  
805 Beachway Drive, Suite 50  
Indianapolis, IN 46224-7785  
Phone: 317/227-0300  
Administrative Fax: 317/227-0368  
Permit Fax: 317/227-0330

Mitchell E. Daniels, Jr., Governor  
Bret D. Marsh, DVM, State Veterinarian

August 5, 2005

Indiana State Board of Accounts  
Marilyn Rudolph, State Examiner  
402 West Washington Street  
Indianapolis, Indiana 46204

Dear Ms. Rudolph:

This letter is in response to the review comments presented by Debbie Gibson on August 1, 2005 in regards to our audit this year.

All items have been addressed in the enclosed response. If you require further information please do not hesitate to contact Nancy Rosa, Finance Director, at (317) 227-0309 or [nrosa@boah.in.gov](mailto:nrosa@boah.in.gov).

Respectively,

  
Bret D. Marsh, D.V.M.  
Indiana State Veterinarian

Enclosures (2)

**Safeguarding Indiana's animals, food supply and citizens for over 100 years.**

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### INACTIVE FUND/CENTER

The Livestock Brand Registration (6000/105300) account is a dormant account. BOAH will review statute for appropriate uses of these funds, make appropriate expenditures, and revert the balance not later than September 30, 2005.

### DAILY DEPOSITS

BOAH will make the timely deposit of receipts a point of emphasis within the Finance Division. With the recent addition of another staff member this should no longer be an area of concern.

### PERSONAL LONG DISTANCE CALLS

BOAH will:

1. Remind staff with official cell phones that they must reimburse the state for unofficial calls in writing and require them to acknowledge this reminder in writing.
2. Require Division Directors to review cell phone accounts for inappropriate charges and initiate collection action where appropriate.

### SUPPLEMENTATION OF APPROPRIATIONS

Any refund of expenditure including salaries will now be recorded in the year of funding. Any refund not received within the same fiscal year as the related expenditure will be recorded as miscellaneous revenue. This process change is effective immediately.

### OUTSTANDING CHECKS

On 06/06/05 a Report of Collections (450509) for \$148.66 was processed depositing outstanding check amounts into 1000/103510 revenue. The outstanding checks ranged in date from 04/10/00 through September 16, 2002.

### ATTENDANCE REPORTS

A memo will be sent to all employees of the Indiana Board of Animal Health explaining the dating of employee attendance reports with the next distribution of Earnings Statements. In addition, the Personnel Officer has already made this item a point of emphasis when reviewing attendance reports.